

GOVERNMENT OF TELANGANA
ABSTRACT

Industries and Commerce Department - Establishment of Telangana Industrial Health Clinic Limited - Orders - Issued.

INDUSTRIES AND COMMERCE (IFCELL & L&B) DEPARTMENT

G.O.Ms.No. 26

Dated: 27-04-2017

Read the following:

1. From DoI, Hyderabad, Lr.No.27/1/16/3000297, dt.23.08.2016.
2. G.O.Ms.No.45, Inds., & Com (IF Cell and L&B) Dept., Dt: 09.09.2016
3. From Jt. MD, TSIDC Limited, Hyderabad, Single File Dt: 13.04.2017

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O R D E R:

Telangana State have a progressive industrial policy that received high appreciation from all the stake holders. As part of this policy, committing to healthy growth of industries, in particular, the MSMEs, the Government after careful consideration, decided to put in place a robust institutional mechanism to prevent MSMEs becoming sick and to revive and restructure that fall sick due to various reasons. Telangana State Industrial Development Corporation (TSIDC)'s Memorandum and Articles provide for setting up a SPV with a separate Corpus Fund. Accordingly, anchored by TSIDC, a separate institution under the Companies Act, 2013 is proposed to be set up called Telangana Industrial Health Clinic Limited.

2. Telangana State Industrial Development Corporation (TSIDC) in its Board meeting held on 17.12.2016 resolved for setting up of Telangana Industrial Health Clinic (TIHC) as Non-Banking Finance Company (NBFC) to revive and strengthen the Micro & Small manufacturing enterprises under MSME in the State. The resolution is as follows:

"It is hereby resolved that Telangana Industrial Health Clinic as Non-Banking Finance Company(NBFC) with an independent Board of Directors with a corpus fund of Rs.100.00 Crores with contribution from State Government, Central Government, Stakeholders, Financial Institutions and HNIs and Initial contribution of Rs.10.00 Crores by the Government of Telangana will be made for the establishment of NBFC and the Chief Executive Officer (CEO) shall be responsible for completing the formalities relating thereto with expedition, be and hereby approved".

3. Based on the above, the TSIDC has proposed for setting up of Telangana Industrial Health Clinic (TIHC) as Non-Banking Finance Company (NBFC). Accordingly, Government have agreed in principle for setting up of Telangana Industrial Health Clinic (TIHC) as Non-Banking Finance Company (NBFC) and the initial corpus equity contribution of Rs.10.00 crores can be drawn from TSIDC as advance payable subject to reimbursement by the Government.

4. Objectives of Telangana Industrial Health Clinic (TIHC) :

- I. Cater to the development needs of MSEs with focus on diagnostic and clinical facilities for sick and incipient sick enterprises in co-ordination with the existing financial institutions and extending financial support to the new micro and small enterprises.
- II. Help the MSEs in revival and rehabilitation through effective guidance and timely supplementation of financial resources.
- III. Identify the strategic partnership firms for creating a comfort zone to the banks to revive the MSEs so that the units come out of NPA status.
- IV. Facilitation to MSEs to access equity through SME Exchange.

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- V. Promoting a Comprehensive Financial Service Team with Accredited Consultants providing
- Diagnostic assistance.
 - Consulting services in finance, marketing branding, co-branding, technology.
 - Helps manufacturing start-ups in the MSE sector and Incubation Centres.
 - Expand the financing channel available to MSEs to resolve issues relating to working capital.
 - Help conducting Techno-Economic Valuation studies when the viability of the functioning of the MSE faces the threat.

5. Government, after careful examination of the matter, hereby accord approval for setting up of Telangana Industrial Health Clinic as Non-Banking Finance Company(NBFC) with the modalities suggested above and also accord permission for TSIDC Limited to anchor the establishment of TIHC and permit the Joint Managing Director, TSIDC Limited to take up the incorporation process and incur the required related expenditure thereto. The expenditure shall be initially met by TSIDC and reimbursed from the Budget Provision already made in the Financial Year 2017-18 under the Head of Account:2852-80-001-18-310-312.

6. The Government hereby further accord approval for the following:

- Appointment of Dr. Yerram Raju as Advisor of Telangana Industrial Health Clinic for a period of (1) year initially on contract basis.
- Appointment of Sri M.Sanjaya as Chief Executive Officer of Telangana Industrial Health Clinic for a period of (2) year initially. Terms and Conditions of his appointment will be issued separately.
- Appointment of the following persons as the first Directors of the proposed Company:
 - Principal Secretary to Government, Industries & Commerce Department.
 - Commissioner of Industries, Hyderabad.
 - Joint Managing Director, TSIDC Limited, Hyderabad.
 - Dr. B.Yerram Raju, Advisor, TIHC.

7. The Joint Managing Director, Telangana State Industrial Development Corporation Limited, Hyderabad shall take necessary further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

JAYESH RANJAN
PRINCIPAL SECRETARY TO GOVERNMENT & CIP (FAC)

To
The Joint Managing Director,
Telangana State Industrial Development Corporation Limited, Hyderabad.
Dr. Yerram raju, Advisor, Telangana Industrial Health Clinic, Hyderabad.
Sri M.Sanjaya, Chief Executive Officer, Telangana Industrial Health Clinic, Hyderabad.

Copy to:

The Commissioner of Industries, Hyderabad
The P.S to Principal Secretary to Government & CIP (FAC),
Industries & Commerce Department.
The P.S to Principal Secretary to Government, Finance Department.
The P.S. to Hon'ble Minister (I&C).
Sf/sc.

//FORWARDED::BY ORDER//

SECTION OFFICER